

BEFORE THE  
Federal Communications Commission  
WASHINGTON, D.C.

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

In the Matter of )

)  
Application of BellSouth Corporation, )  
BellSouth Telecommunications, Inc., and )  
BellSouth Long Distance, Inc. )  
Pursuant to Section 271 of the )  
Communications Act of 1934, as )  
amended, To Provide In-Region )  
InterLATA Services to Louisiana )

CC Dkt No. 98-121

REPLY COMMENTS OF SPRINT COMMUNICATIONS COMPANY L.P.

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**REPLY COMMENTS OF SPRINT COMMUNICATIONS COMPANY L.P.**

Sprint Communications Company L.P. ("Sprint"), by its attorneys, hereby replies to the comments and oppositions filed in the above-captioned proceeding.

**INTRODUCTION AND SUMMARY**

The numerous problems demonstrated by Sprint and other commenting parties, as confirmed by the analysis of the Department of Justice ("DOJ"), have exposed BellSouth Corporation's ("BellSouth") approach to the section 271 process as cavalier and haphazard. First, BellSouth rushed its preparation and filing of this application after the Commission rejected its prior application in Louisiana. As the FCC determined in the first Louisiana Order, standards in section 271 could not be met in Louisiana short of a substantial increase in local competition and a dramatic improvement in BellSouth's wholesale systems. But, this premature filing can only cite to a

gradual increase in competitive entry in the Louisiana local market and BellSouth's own incremental improvement of its wholesale offerings. This filing, thus, exhibits no significant improvement beyond that of the prior Louisiana application found to be inadequate. Second, BellSouth's haste to get something before the Commission resulted in BellSouth filing (and subsequently being forced to supplement and postpone)<sup>1</sup> -- an application riddled with inaccuracies. Third, BellSouth has remained uncooperative in the months since the Commission's rejection of its first Louisiana application, failing to fully explore any adequate alternatives to collocation for new entrants to obtain unbundled network elements ("UNEs"). Fourth, BellSouth has not yet clarified its position in regard to two troubling questions -- (1) will BellSouth insist on charging CLECs the retail rate, less a discount, for UNEs recombined to replicate a BellSouth retail service; and (2) will BellSouth prevent CLECs from moving a Contract Service Arrangement ("CSA") from the original customer to a different customer. As urged by nearly all commenting parties including the DOJ, the Commission must reject this application.

#### **I. BellSouth's Filing is Premature**

As Sprint and numerous other commenting parties demonstrated, BellSouth's application should not have been filed

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<sup>1</sup> See Letter from Michael K. Kellogg, Counsel for BellSouth to Kathryn C. Brown, Chief, Common Carrier Bureau (July 23, 1998) (on file with FCC in CC Dkt. No. 98-121) (notifying Commission of myriad of problems with BellSouth's application and attachments).

as it contains numerous, significant flaws that rendered it dead on arrival at the Commission. Since the Commission released its order denying BellSouth's first Louisiana application, the state of competition has changed very little. As the DOJ noted, "there have been encouraging developments in competition by facilities-based entrants and resellers . . . [however] the market penetration of those competitors is still quite modest."<sup>2</sup> For instance, CLEC facilities-based business lines have increased from approximately 1,000 to just 4,282 since the filing of the last application. No residential service is provided by CLECs on a facilities-basis. As Sprint and other carriers have commented, these numbers were virtually non-existent when BellSouth filed the first Louisiana application, and remain de minimus today.

This lack of competition stems, inter alia, from the lack of BellSouth's development of a robust and functioning OSS. Though the Department noted that BellSouth has taken steps to improve its OSS, "most of the impediments to UNE competition that the Department identified in its earlier evaluation [are still] in place."<sup>3</sup> The DOJ also noted that "significant problems affecting competition by resellers and facilities-based competitors remain."<sup>4</sup>

The premature nature of the BellSouth filing is painfully obvious in the areas of performance measurements, reporting and

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<sup>2</sup> DOJ Evaluation at 3.

<sup>3</sup> Id. at 4.

<sup>4</sup> Id. at n.5.

benchmarks. The parties to this proceeding, including the Justice Department, have discussed at length the problems with the performance measurements, reporting and benchmarks submitted by BellSouth in the instant application.<sup>5</sup> Sprint will not repeat the list of shortcomings in this pleading.

It is noteworthy that the staff of the LPSC agreed with this assessment in its recently released Final Recommendation in the Louisiana Public Service Commission proceeding on service quality performance measurements (attached as Exhibit A).<sup>6</sup> The LPSC Staff found that BellSouth's proposed performance measurements, reporting, and benchmarking were far from complete in virtually every respect. Thus, the Staff reached the following conclusions:

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<sup>5</sup> See, e.g., Sprint Closz Aff. at ¶ 35 (no performance data provided for Average Completion Notice Interval or for Collocation measurements), ¶¶ 36-39 (data reported at the state and regional levels only where more granular data are needed), ¶ 40 (no method employed for determining whether differences between services provided to CLECs and ILECs are statistically significant), ¶ 42 (no valid performance benchmarks for measurements for which no retail analog exists); AT&T Pfau & Dailey Aff. (listing numerous inadequacies of BellSouth's performance measurement reporting and proposed benchmarks); DOJ Evaluation at 38-39.

<sup>6</sup> See BellSouth Telecommunications Inc. Service Quality Performance Measurements, LPSC Docket No. U-22252-Subdocket C, Staff Final Recommendation ("Final Recommendation"). The LPSC Commissioners voted on the Final Recommendation in an August 19, 1998 meeting. The Order has yet to be released, and the transcript of the meeting is not yet available from the LPSC. It is Sprint's understanding that the LPSC will adopt the ALJ's Recommendation with no modifications.

- "[F]urther refinement of BellSouth's performance measurements and definitions may be<sup>7</sup> required," and should be addressed in "future workshops;"
- Further discussion in workshops is necessary to determine whether BellSouth should be required to publish the "raw data" underlying performance reports<sup>8</sup> provided to CLECs on BellSouth's interconnection web page;
- The LPSC should study the performance data provided by BellSouth for six months to determine whether more or less product disaggregation should be required;<sup>9</sup>
- BellSouth should be required to report certain performance data on an MSA basis, a process<sup>10</sup> that will take four months for BellSouth to implement;
- Studies should be performed and refined over the next six months to set benchmarks for performance measurements for services for which there is no BellSouth retail analog;<sup>11</sup>
- The LPSC should hold workshops to determine what test to adopt for the purpose of determining whether differences between incumbent retail and wholesale services are statistically significant; and
- While financial penalties for incumbent LEC failure to comply with the performance measurement reporting and benchmark rules should be adopted, "now is not the time

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<sup>7</sup> Final Recommendation at 3-4 (attached as Exhibit A).

<sup>8</sup> See id. at 8.

<sup>9</sup> See id.

<sup>10</sup> See id. at 10.

<sup>11</sup> See id. at 13. BellSouth itself recommended that the LPSC study the relevant performance data from other states and other incumbent LECs over the next 6 to 12 months before establishing benchmarks. See BellSouth's Comments on Louisiana Public Service Commission Staff's Initial Recommendation, filed August 10, 1998 in BellSouth Telecommunications Inc. Service Quality Performance Measurements, Docket U-22252-Subdocket C at 6 (attached as Exhibit B).

to establish financial remedies" since the requirements in question "are simply too new and evolving."<sup>12</sup>

## **II. BellSouth's Application Contains Several Factual Inaccuracies**

The state of the application also suggests BellSouth rushed it to the Commission's doorstep to beat some artificial internal deadline, rather than first ensuring that its application was accurate in all material respects. One instance was noted by Sprint in its Comments -- the internal inconsistency between BellSouth's experts regarding whether any unbundled loops have been provisioned in Louisiana.<sup>13</sup> In addition, several carriers identified factual misrepresentations made by BellSouth, some of which presumably would have enhanced BellSouth's application had they been accurate.

Most importantly, KMC Telecom Inc. ("KMC") stated

BellSouth identifies only one [CLEC] -- KMC -- that allegedly provides facilities-based service to residential customers. The truth is, however, that KMC does not provide facilities-based service to any residential customers in Louisiana. KMC serves residential customers in Louisiana solely through the resale of BellSouth's local exchange service.<sup>14</sup>

This difference is significant -- CLECs provide no facilities-based residential service in Louisiana.

Hyperion Telecommunications, Inc. ("Hyperion") reported several misrepresentations in BellSouth's application. First, BellSouth mistakenly attributed facilities to an Entergy-Hyperion

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<sup>12</sup> See Final Recommendation at 20.

<sup>13</sup> See Sprint Comments at 52-53.

<sup>14</sup> KMC Comments at 3-4 (emphasis in original).



partnership.<sup>15</sup> Second, "contrary to BellSouth's assertion, Hyperion manages no networks in conjunction with any IXCs."<sup>16</sup> Third, "Hyperion has no partnership with U.S. West Interprise in Louisiana."<sup>17</sup> Finally,

BellSouth states that Hyperion offers certain residential services, referring to a Hyperion residential tariff. Hyperion's tariffs describe residential services but do not set forth any rates for these services, and consequently do not constitute an offer of such services.<sup>18</sup>

In addition, BellSouth represented that "BellSouth has learned that at least one CLEC has implemented a CGI interface for pre-ordering inquiries. As of June 29, 1998, OmniCall, Inc. ("OmniCall") made over 17,000 queries for customer service records."<sup>19</sup> OmniCall disputed both the 17,000 figure (placing it instead around 13,000) and also stated that those 13,000 queries over CGI "have not yielded useable data, and, thus, the system is not yet of practical use to OmniCall."<sup>20</sup> Thus, contrary to BellSouth's self-serving assertions, the OmniCall-BellSouth relationship highlights failures of BellSouth's OSS rather than successes.

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<sup>15</sup> See KMC Comments at n.1.

<sup>16</sup> See id.

<sup>17</sup> See id.

<sup>18</sup> Id. at n.2.

<sup>19</sup> Stacy OSS Aff. at ¶ 24.

<sup>20</sup> See OmniCall Comments at 2.

These errors underscore the general inadequacy of the application. They demonstrate BellSouth's approach of quantity of applications over quality of applications. At best, BellSouth has inadvertently included numerous factual inaccuracies in its application -- at worst, BellSouth has attempted to shade dubious or unfavorable facts in its favor. The Commission must not tolerate such behavior.

**III. BellSouth has not Cooperated with CLECs in Exploring Additional Methods to Obtain Access to UNEs**

Since the Commission's prior rejection, BellSouth has refused to explore alternatives to collocation. Of particular note is AT&T Corp.'s ("AT&T") experience with BellSouth regarding AT&T's proposed "recent change" method for combining UNEs.<sup>21</sup> AT&T stated that "[t]o date, BellSouth has refused seriously to consider other alternatives for combining UNEs. . . . BellSouth is insisting on the most extreme and anti-competitive method imaginable."<sup>22</sup> The DOJ agreed -- "a variety of barriers remain today that substantially impede competition using unbundled network elements. . . . [BellSouth continues to impose via physical collocation] unnecessary costs and technical obstacles on competitors that seek to combine UNEs."<sup>23</sup> The Kentucky PSC similarly took action with respect to BellSouth's refusals to

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<sup>21</sup> In addition, the DOJ noted that BellSouth has refused to permit CLECs to obtain direct access to BellSouth's network in order to combine UNEs. See DOJ Comments at n.31.

<sup>22</sup> AT&T Comments at 20 (citation omitted).

<sup>23</sup> DOJ Evaluation at 4.

offer recent change, determining that "when no 'reconfiguration' [of UNES] has been requested by a CLEC, there appears to be no reason the 'recent change' capability cannot be used to provide UNES to CLECs."<sup>24</sup>

BellSouth's continuing intransigence has unsurprisingly stifled CLECs' ability to offer business and residential services over combinations of UNES. The DOJ noted that

[s]ince April 1998, and indeed since BellSouth's last application, only two competitive carriers in Louisiana have used any unbundled loops in conjunction with other self-provided network facilities, and, collectively, these carriers have placed in service only about 100 unbundled loops.<sup>25</sup>

As AT&T noted, BellSouth's insistence upon physical collocation as a prerequisite to CLEC combinations of UNES seems particularly anticompetitive in light of recent state commission analysis of such requirements. AT&T stated that "state commissions that have taken the time to examine BOC-proposed collocation requirements have rejected them."<sup>26</sup> Some state commissions have rejected them on legal grounds, while others have focused on the deadening effect on UNE-based competition.<sup>27</sup>

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<sup>24</sup> Investigation Regarding Compliance of the Statement of Generally Available Terms of BellSouth Telecommunications, Inc. with Section 251 and Section 252(D) of the Telecommunications Act of 1996, Kentucky PSC Case No. 98-348, Order at 9 (rel. Aug. 21, 1998) (emphasis added) ("Kentucky Order").

<sup>25</sup> DOJ Evaluation at 8. As Sprint and other carriers have noted, it remains unclear if any loops have been provisioned. See, e.g., Sprint Comments at 52-53.

<sup>26</sup> See AT&T Comments at 22-23.

<sup>27</sup> See id. at 23.

The Kentucky PSC stated that BellSouth's "requirement that a CLEC may combine UNEs only by means of collocation is both discriminatory and unwarranted."<sup>28</sup> The Texas PUC has recently ordered SBC Communications, Inc. ("SBC") to "offer at least . . . three methods to allow CLECs to recombine UNEs" including "access to recent change capability at the switch to combine loop port combinations. . . ."<sup>29</sup> In addition, the New York ALJ considering this issue found that "an electronic method for obtaining and combining network elements, or a comparable substitute, appears essential for mass market competition."<sup>30</sup> The FCC must refuse to seriously consider any BellSouth section 271 application until BellSouth begins to cooperate on the fundamental issue of methods of UNE combination.

**IV. BellSouth has not Clarified its Position with Respect to Pricing of Recombined UNEs and Resale of CSAs**

As the Commission has stated

[a]pplicants and participants in section 271 proceedings also have an obligation to present their position in a clear and concise manner. . . . It is the petitioner who has the 'burden of clarifying its position' before the agency.<sup>31</sup>

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<sup>28</sup> See Kentucky Order at 7.

<sup>29</sup> See AT&T Comments at 24 (quoting Texas PUC decision).

<sup>30</sup> See Proceeding on Motion of the Commission to Examine Methods by which Competitive Local Exchange Carriers can Obtain and Combine Unbundled Network Elements, Case 98-C-0690, *Proposed Findings of Administrative Law Judge Eleanor Stein* at 46 (rel. Aug. 4, 1998).

<sup>31</sup> Revised Procedures for Bell Operating Company Applications Under Section 271 of the Communications Act, FCC 97-330, *Public Notice* at 3 (Sept. 19, 1997) (quoting WAIT Radio v. FCC, 418 F.2d 1153, 1157 (D.C. Cir. 1969), cert denied, 409 U.S. 1027 (1972)).

Though BellSouth has had over five months to reform its application, BellSouth continues to equivocate with respect to two issues -- (1) will BellSouth insist on charging CLECs the retail rate, less a discount, for UNEs recombined to replicate a BellSouth retail service; and (2) will BellSouth prevent CLECs from moving a CSA from the original customer to a different customer.

Several carriers have voiced these concerns. Sprint raised the recombination issue in its comments. KMC raised a related question, asking how BellSouth will price elements precombined to replicate a BellSouth retail service. Like Sprint, AT&T questioned whether BellSouth will permit CLECs to move a CSA from one end-user to another. In addition, AT&T questioned whether BellSouth will permit CLECs to aggregate end-user traffic in order to avail themselves of volume discounts.<sup>32</sup> e.spire Communications Inc. ("e.spire") also questioned BellSouth's compliance in this regard, stating that "because competitors have not yet had the opportunity to test BellSouth's new policy on the resale of CSAs, it cannot be determined whether BellSouth has

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<sup>32</sup> On July 28, 1998, BellSouth again avoided an opportunity to make clear its position on this issue, instead relying on the same vague language contained in its second Louisiana application and affidavits -- language found lacking by Sprint and AT&T, among others. See Letter from Victoria K. McHenry, BellSouth Telecommunications, Inc. to Stephen C. Garavito, General Attorney, AT&T 6 (July 31, 1998) (on file with FCC in CC Dkt. 98-121).

resolved the checklist deficiency cited by the Commission on that front."<sup>33</sup>

The common thread running through these concerns is that BellSouth has not shouldered its burden to both make clear its legal positions and its full compliance with the section 271 requirements. As a business matter, such obfuscation is anti-competitive. As a regulatory matter, it amounts to a cause for the Commission to deny the application and demand greater explication from BellSouth prior to considering any future BellSouth application.

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<sup>33</sup> See e.spire Comments at n.38.

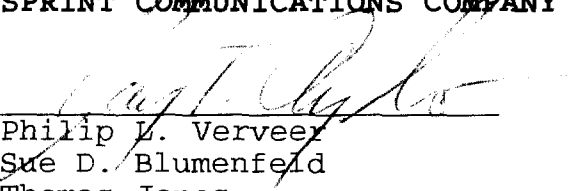
### CONCLUSION

It is understandable that BellSouth wants to enter the interLATA market without first having to open its local market and provide new entrants an opportunity to compete on an equal-footing. Nevertheless, just as the section 271 requirements remain unchanged, so too must the Commission's resolve to require applicants to meet those requirements prior to granting them in-region interLATA authority. As Sprint and nearly all commenters have shown, and as the DOJ has concluded, the Commission must deny this application as patently inadequate.

Respectfully submitted,

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Dated: August 28, 1998

\*\* Exhibits A and B to Sprint's Reply Comments are not included in Sprint's diskette filing. They are, however, on file with the Commission.





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**BEFORE THE LOUISIANA PUBLIC SERVICE COMMISSION**

In Re: BellSouth Telecommunications Inc. )  
Service Quality Performance Measurements )

Docket No. U-22252-Subdocket C

**STAFF FINAL RECOMMENDATION**

1           On April 30, 1998, BellSouth Telecommunications, Inc. (BST or BellSouth) filed two  
2 revisions to its Statement of Generally Available Terms and Conditions (SGAT), including a proposal  
3 for Service Quality Performance Measurements (SQPM). At the June 17, 1998 Business and  
4 Executive Session, the Louisiana Public Service Commission (LPSC or Commission) adopted on an  
5 interim basis the SQPM filed by BellSouth.<sup>1</sup> The Commission further ordered that a rule making  
6 proceeding be commenced and completed to determine final SQPM for presentation at the August  
7 19, 1998 Business and Executive Session.<sup>2</sup>

8           Louisiana Public Service Commission Staff (Staff) immediately published the opening of the  
9 above referenced docket and a request for comments in the next LPSC Bulletin dated June 26, 1998  
10 following the June Business and Executive Session. Staff received comments on July 10, 1998 from  
11 e.spire, BST, MCI, Cox and AT&T and Direct Testimony of Melissa L. Closz from Sprint and  
12 Venetta Bridges from MCI. Reply comments were received on July 20, 1998 from AT&T, e.spire,  
13 Sprint and BST and Reply Testimony of Venetta Bridges with MCI. A technical conference was held  
14 on July 23, 1998. Staff requested additional comments on July 28, 1998 from any party with  
15 additional information on statistics, penalties and levels of disaggregation. Staff received additional

<sup>1</sup> See Louisiana Public Service Commission General Order No. U-22252-B, dated July 1, 1998.

<sup>2</sup> Id.

1 comments from BST, MCI, AT&T and Intermedia Communications. Pursuant to the procedural  
2 schedule in the above referenced docket, BST, MCI, AT&T, Sprint, e.spire, and Cox filed reply  
3 comments to Staff's initial recommendation on August 10, 1998.

4 After examining the Parties' comments, reply comments, post-technical conference comments,  
5 reply comments to Staff's initial recommendation, and holding a technical conference, Staff issues this  
6 final recommendation concerning the BST SQPM.

## 7 I. INTRODUCTION

8 The Telecommunications Act of 1996 (the Act) requires that incumbent local  
9 exchange carriers (ILEC) provide services and facilities in a nondiscriminatory manner and on a just  
10 and reasonable basis.<sup>3</sup> These provisions of the Act are designed to hasten the development of  
11 competition in local exchange markets by ensuring incumbent carriers do not provide services and  
12 facilities in a manner that favor their own retail operations over competing carriers, or in a manner  
13 which favors certain competing carriers over others.<sup>4</sup> More simply, an ILEC must provide services  
14 and facilities to competitive local exchange carriers (CLECs) that are at least equal in quality to that  
15 provided by the ILEC to itself or to any affiliate, subsidiary, or any other party to which the ILEC  
16 provides service.<sup>5</sup>

17 Staff finds that adequate performance measurements and standards for UNEs and resold  
18 services are essential to the immediate development of local competition in the State of Louisiana.

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<sup>3</sup> 47 U.S.C. 251(c)(3) and (4).

<sup>4</sup> *In the Matter of Application by BellSouth Corporation, et al., Pursuant to Section 271 of the Communications Act of 1934, as amended, To Provide In-Region, InterLATA Services in Louisiana*, CC Docket No. 97-231 (Rel. Feb. 4, 1998) para. 20,23,33.

<sup>5</sup> Id.

1 Staff's final recommendation includes recommendations on performance measurements, levels of  
2 disaggregation, including product disaggregation and geographic disaggregation, standards and  
3 benchmarks, statistical tests, reporting, auditing and data detail, enforcement, dispute resolution and  
4 a procedural schedule.

## 5 **II. PERFORMANCE MEASUREMENTS**

6 The categories of performance standards as generally presented by all Parties are: pre-  
7 ordering, ordering, provisioning, maintenance and repair, billing, operator services and directory  
8 assistance, E911, trunk group performance and collocation. Staff finds that this method of  
9 categorization appropriately identifies the areas in which performance measurements are necessary.  
10 With respect to specific measurements in each category, Staff recommends that the Commission  
11 adopt the performance measurements attached as exhibit A to this recommendation. The  
12 measurements found in Exhibit A are those measurements submitted in BellSouth's proposal which  
13 have been modified as indicated in Exhibit A.<sup>6</sup> BellSouth is commended for submitting such a  
14 significant number of measurements. However, Staff's recommended changes, as noted in Exhibit A  
15 are necessary to ensure nondiscriminatory treatment as required by the Act. Furthermore, all changes  
16 recommended by Staff are based upon all comments and testimony submitted in this proceeding and  
17 all information gathered at the technical conference.

18 In its Reply to Staff's Initial Recommendation, AT&T raises concerns over definitional issues  
19 with respect to BellSouth's performance measurements<sup>7</sup>. Staff agrees that further refinement of

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<sup>6</sup> All changes to the SQPM have been noted in Exhibit A with the exception of Product Disaggregation. BellSouth should be ordered to update its SQPM for product disaggregation as found in Section III of this recommendation.

<sup>7</sup> AT&T Reply to Staff's Initial Recommendation, pp. 1-4.

1 BellSouth's performance measurements and definitions may be required. However, Staff proposes  
2 that these issues be addressed in future workshops. It has been Staff's experience that while confusion  
3 may exist between the parties, these potential problems can be resolved with additional discussions  
4 between BellSouth and the CLECs. Staff proposes that clarification of performance measurements  
5 be addressed in future workshops as indicated in the Procedural Schedule Section of the  
6 Recommendation.

### 7 **III. LEVELS OF DISAGGREGATION**

8 In its Reply to Staff's Initial Recommendation, BellSouth claims that to implement Staff's  
9 proposed reporting at the levels of disaggregation recommended by Staff would require months of  
10 additional work and millions of additional dollars of investment in reprogrammed computer software  
11 and additional hardware<sup>8</sup>. Staff is mindful of BellSouth's concerns about the additional expenditures  
12 that may be required if the Commission adopts the Staff's recommendation. Nevertheless, Staff  
13 believes that further disaggregation is necessary and, as BellSouth must acknowledge, is the direction  
14 in which industry is moving. In addition, as noted below, Staff has modified its Initial  
15 Recommendation on product disaggregation to be reported for only provisioning and maintenance  
16 and repair categories. As set forth in Exhibit A, Staff has modified its Initial Recommendation to be  
17 consistent with BellSouth's Reply to Staff's Initial Recommendation that MSA reporting only applies  
18 to provisioning, maintenance and repair, trunk group performance, and collocation.

19 For the record, Staff points to BellSouth's claim that to implement the LCUG proposal would  
20 cost BellSouth an additional \$15,000,000 on a regional level<sup>9</sup>. Even if Staff's proposal was as detailed

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<sup>8</sup> BellSouth's Reply to Staff's Initial Recommendation, p. 2.

<sup>9</sup> See Transcript, pp. 236.

1 as LCUG's, which it is not, the significance of this expenditure for BellSouth must be put into  
2 perspective. The BellSouth nine state region serves approximately 22,000,000 customers. If the  
3 \$15,000,000 were amortized over a five-year period, which is consistent with the depreciation time  
4 period for computers and software, and if BellSouth's customers were required to pay for the  
5 expenditures, it would amount to a little over one cent per month, or \$.60 for the five year period<sup>10</sup>.

6 Staff would also bring to the Commission's attention the nature of one participant's interest,  
7 specifically Sprint. Sprint operates as both a CLEC and an ILEC. Sprint, as an ILEC, operates in 18  
8 states and serves more than 7 million access lines. Sprint endorses greater levels of disaggregation  
9 than proposed by BellSouth and generally supports Staff MSA recommendation<sup>11</sup>. Sprint, as an  
10 ILEC will also incur the expenditures associated with additional disaggregation in other states where  
11 commissions adopt similar levels of disaggregation. Despite these additional expenditures, Sprint  
12 consistently endorses greater levels of disaggregation than proposed by BellSouth. As pointed out  
13 by Sprint's expert witness:

14 ..., in weighing issues from a corporate perspective, Sprint has every interest in  
15 ensuring that Commission actions do not result in burdens on ILECs that have no  
16 sound business purpose for CLECs, nor is Sprint interested in imposing on ILECs  
17 requirements that are difficult and costly<sup>12</sup>  
18

19 Therefore, for the reasons given here, as well as the ones addressed below, Staff continues  
20 to endorse and recommend levels of product and geographic disaggregation greater than that  
21 proposed by BellSouth.

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<sup>10</sup>  $\$15,000,000/5 = \$3,000,000$ ;  $\$3,000,000/22,000,000 = \$ .13$ ;  $\$.13/12 \text{ months} = \$ .01124$ .

<sup>11</sup> Reply Testimony of Melissa L. Closz, July 20, 1998, p. 4 and 8. Sprint's Reply to Staff's Initial Recommendation, pp. 1-2.

<sup>12</sup> Reply Testimony of Melissa L. Closz, July 20, 1998, p. 3.

## Product Disaggregation

Generally, there were three proposals pertaining to levels of product disaggregation: the 25 levels of disaggregation proposed by the ALTS<sup>13</sup> group, the 16 proposed by the LCUG<sup>14</sup> group, and the 5 proposed by BellSouth. Staff recommends that the Commission order the following levels of product disaggregation for provisioning, maintenance and repair performance measurement categories:

- resale<sup>15</sup> residential POTS
- resale business POTS
- resale ISDN
- resale Centrex
- resale PBX
- other resale
- unbundled loops 2-wire
  - w/interim number portability
  - w/o interim number portability
- unbundled loops all other
  - w/interim number portability
  - w/o interim number portability
- unbundled ports
- interconnection trunks

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<sup>13</sup> ALTS stands for Association for Local Telecommunications Services. The ALTS proposals are supported by e.spire, AT&T, MCI, Sprint, MFS, TCG, GST, and Brooks Fiber in Arizona.

<sup>14</sup> LCUG stands for Local Competition User Group and consists of AT&T, Sprint, MCI, LCI and WorldCom.

<sup>15</sup> All resale measurements should also report for dispatched and non-dispatched service.

1           Staff's recommended levels of product disaggregation are similar to the levels of  
2   disaggregation proposed by the FCC.<sup>16</sup> This level of disaggregation is also similar to the levels  
3   proposed by BellSouth, but contains only five additional categories. Staff believes that this level of  
4   disaggregation provides a reasonable compromise between the proposed levels of the various parties.  
5   Specifically, Staff believes that this level of disaggregation provides a reasonable compromise  
6   between the need to disaggregate performance measurements for purposes of ensuring the collection  
7   of useful data and minimizing the burden placed upon the ILEC of collecting and reporting such data.

8           BellSouth's proposal for product disaggregation does not sufficiently disaggregate data by  
9   product or service. AT&T described this deficiency in BellSouth's proposal:

10           "Aggregating performance for dissimilar services results in  
11   comparisons of questionable value. The FCC has recognized the  
12   importance of service level disaggregation."<sup>17</sup> BellSouth's own  
13   standard industry guide for CLECs indicates the need for performance  
14   results disaggregated by product or service. For example, the guide  
15   reflects longer service delivery intervals for PBX trunks than for a  
16   comparable volume of measured business lines. BellSouth's SQM  
17   proposes to average such results and report CLEC performance in the  
18   generic category of resale POTS-business. In addition, the same  
19   CLEC guide identifies six different types of unbundled loops, but  
20   BellSouth's SQM proposes to report on only a single category of  
21   unbundled loops."<sup>18</sup>

22           Staff agrees with the concerns raised by AT&T and the other CLECs and therefore,  
23   recommends a level of product disaggregation that provides more useful information than proposed

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<sup>16</sup> Notice of Proposed Rulemaking, In Re: Performance Measurements and Reporting Requirements for Operations Support Systems, Interconnection & Operator Services and Directory Assistance, CC Docket No. 98-56.

<sup>17</sup> FCC Ameritech Order ¶170.

<sup>18</sup> See AT&T original comments pp. 9-10.

1 by BellSouth. Although Staff is not recommending that levels of product disaggregation  
2 recommended by LCUG and ALTS, Staff observes that more disaggregated data is provided to the  
3 individual CLECs on BellSouth's web site.<sup>19</sup> While the CLECs expressed some concern over the data  
4 published on the web site, in terms of ease of use, Staff believes that these problems can be quickly  
5 resolved. It was also evident to Staff that some CLECs had not spent any significant amount of time  
6 working with the data published on the web site. In addition, AT&T requests that BellSouth be  
7 required to publish raw data for its own performance results on its "data warehouse web site." Staff  
8 is concerned that the requested information would be considered proprietary, but Staff does  
9 recommend that this be explored in future workshops.

10 For the reasons addressed by AT&T as well as the other CLECs and because of the cost  
11 concerns of BellSouth, Staff recommends the above listed levels of disaggregation. In addition, Staff  
12 recommends that the Commission adopt BellSouth's recommendation that the Commission review  
13 and assess the performance data reported as a result of the Commission's findings in the instant  
14 docket over the next six months, and through additional workshops, determine if more or less levels  
15 of disaggregation are necessary.

#### 16 **Geographic Disaggregation**

17 BellSouth proposes to report its performance measurements at the state and regional levels.  
18 BellSouth contends that further disaggregation as proposed by the CLECs to the Metropolitan  
19 Statistical Areas (MSA), or city level is overly burdensome and costly and unnecessary.<sup>20</sup> CLECs,  
20 on the other hand, contend that further geographic disaggregation is necessary because new entrants

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<sup>19</sup> See Transcript pp.237-259.

<sup>20</sup> See BellSouth Original Reply Comments p. 6



1 are likely to operate only in extremely limited geographic market areas. Comparing BellSouth's  
2 performance on a statewide basis to a CLEC operating in a few large cities would likely result in  
3 misleading comparisons. According to AT&T, a meaningful "apples-to-apples" comparison requires  
4 that performance data for both CLECs and BellSouth be reported for the same geographic markets  
5 area.<sup>21</sup> AT&T commented that one problem with BellSouth's proposal is that it essentially fails to  
6 sufficiently disaggregate its reported data to meaningful levels. AT&T continues:

7 "First, BellSouth's proposal does not disaggregate its data into  
8 sufficiently small geographic areas. Statewide or region-wide data  
9 will yield less meaningful comparisons than data that is provided  
10 according to the area in which the work is done. For example, in rural  
11 areas, travel times for dispatch activities may be longer or technology  
12 may be less modern than that found in urban areas. By averaging  
13 performance over an entire state, BellSouth's report may disguise real  
14 and important differences in performance. In addition, for CLECs  
15 who operate in small geographic areas, comparison with data on a  
16 statewide basis will not reveal whether BellSouth is providing them  
17 non-discriminatory access within their serving area. Aggregation with  
18 its "averaging" effect could mask discrimination to the detriment of  
19 CLECs and ultimately Louisiana consumers."<sup>22</sup>

20 Sprint, a CLEC in Louisiana and an ILEC in 18 other areas, explained why it is important to have  
21 greater geographic disaggregation.

22 "Sprint believes that statewide reporting is too broad (unless and  
23 ILEC serves only a small portion of a state) to accurately identify  
24 areas of potential discrimination in service<sup>23</sup> and therefore supports  
25 reporting on the basis of a smaller geographic unit than an entire state.  
26 The Sprint ILECs - and Sprint believes other ILECs as well - already

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21 See AT&T Original Reply Comments p. 4.

22 See AT&T original comments pp. 9-10.

23 E.g., in instances where competition exists in only one city in a state, statewide reporting could mask the fact that in that city, the ILEC may be giving far better service to its own customers than to the CLECs, even though its service to the CLECs matches its statewide performance to its own customers.